

**REMARKS/ARGUMENTS**

Claims **1, 3-6, 12-13, 16-17, 19-21, and 23-39** were pending in this application. According to the March 7, 2007 Final Rejection, claims **1, 3-6, 12-13, 16-17, 19-21, and 23-39** were rejected.

We have not amended or canceled any of the pending claims. Accordingly, the following claims are under consideration:

- Independent claims **1 and 21**.
- Dependent claims **3-6, 12-13, 16-17, 19-20, and 23-39**.

We respectfully request this amendment be entered as it raises no new issues, and will place the application in condition for allowance. However, if the Examiner is not persuaded that the application is now in condition for allowance, we respectfully request this amendment be entered to place the application in better condition for appeal.

**1.0 The Examiner failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim 1.**

At paragraphs 2 and 3 of the Office Action, the Examiner rejected claim **1** under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The Examiner failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim **1**. Specifically, MPEP § 2106 indicates in part that to determine whether a claimed invention complies with the statutory requirements of 35 U.S.C. § 101, an examiner must first identify whether the claimed invention falls within at least one of the four enumerated categories of patentable subject matter recited in section 101. If so, the examiner must then determine whether the claimed invention falls within a judicial exception (e.g., abstract ideas) and if so, whether the claimed invention covers the judicial exception or is directed to a practical application of the judicial exception. MPEP § 2106(IV)(B)-(C).

Notably, “[t]he examiner bears the initial burden … of presenting a *prima facie* case of unpatentability.” MPEP § 2106(IV)(D). In particular, the examiner must “identify and explain in the record the reasons why a claim is for an abstract idea with no practical application” and only then does the “burden shift[] to the applicant.” (emphasis added); MPEP § 2106(IV)(D).

In rejecting claim **1**, the Examiner appeared to indicate that although the claimed invention falls within at least one of the four enumerated categories of patentable subject matter recited in 35 U.S.C. § 101, “the claimed invention as a whole does not accomplish a

practical application. That is, it must produce a ‘useful, concrete and tangible result.’” However, contrary to MPEP § 2106(IV), the Examiner did not “identify … in the record” the abstract idea of claim 1 for which there is no practical application. Accordingly, the Examiner failed to establish a *prima facie* case under 35 U.S.C. § 101.

In rejecting claim 1, the Examiner also appeared to support the apparent assertion that the claimed invention has no practical application by merely indicating that the “fact that the claim performs generating reductions or credits of carbon dioxide emissions, and changing a cost or a volume does not satisfy the requirement of 35 U.S.C. 101.” Contrary to MPEP § 2106(IV)(D), however, merely asserting that the recited limitations of claim 1 “do[] not satisfy the requirement of 35 U.S.C. 101” is not “identify[ing] and explain[ing] in the record the reasons why” the invention of claim 1 has no practical application. Accordingly, the Examiner again failed to establish a *prima facie* case under 35 U.S.C. § 101.

Lastly, it is noted, for example, that the Federal Circuit has held that a final share price determined by a claimed processing system is a useful, concrete, and tangible result. State Street Bank v. Signature Financial Trust, 149 F.3d 1368, 1373 (Fed. Cir. 1998). If a share price is a useful, concrete, and tangible result, any of “generating … internal reductions of carbon dioxide equivalent emissions,” “generating … credits of carbon dioxide equivalent emission reductions,” “changing … a cost to generate internal reductions of carbon dioxide equivalent emissions,” “changing … a cost to generate reductions of carbon dioxide equivalent emissions in order to generate credits of carbon dioxide equivalent emission reductions,” and “changing … a volume of credits of carbon dioxide equivalent emission reductions” must also be useful, concrete, and tangible results.

## **2.0 The Examiner failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claim 21.**

At paragraph 4 of the Office Action, the Examiner rejected claim 21 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We respectfully disagree.

Specifically, the Examiner appeared to indicate that claim 21 “is intended to embrace or overlap two different statutory classes of invention set forth in 35 U.S.C. 101” and cited Ex parte Lyell to note that “[a] claim of this type is precluded by the express language of 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only.” Ex parte Lyell, 17 USPQ2d 1548, 1551 (BPAI 1990).

Contrary to the Examiner's assertions, Ex parte Lyell does not apply to claim 21. Specifically, the claim on appeal in Ex parte Lyell was a single claim that claimed both an apparatus and the method steps of using the apparatus. Ex parte Lyell, 17 USPQ2d at 1549. Claim 21 recites "*[a]n apparatus, comprising a computing device to perform the method of claim 1.*" Contrary to the claim on appeal in Ex parte Lyell, claim 21 is directed at a single statutory class, an apparatus, and does not claim the method steps of using the apparatus. As such, Ex parte Lyell does not apply to claim 21.

In further rejecting claim 21 under 35 U.S.C. § 101, the Examiner also indicated that the "claim describes an apparatus, based solely on method steps," thereby appearing to indicate that a claim of this form is improper. We respectfully disagree. The MPEP states that "[t]here are many situations where claims are permissively drafted to include a reference to more than one statutory class of invention." MPEP § 2173.05(p). As an example, the MPEP further states that "[a] product-by-process claim, which is a product claim that defines the claimed product in terms of the process by which it is made, is proper." MPEP § 2173.01(p)(1).

Similarly, the Board in Ex parte Lyell stated,

[w]hile ... [a product-by-process] claim format may facially appear to cross the line between statutory classes of invention, we note that such is not the case. A product-by-process claim merely uses one statutory class of invention (i.e., process limitations) to define or fingerprint another statutory class (i.e., the product) ....

Ex parte Lyell, 17 USPQ2d at 1551.

In accordance with the MPEP, claim 21 merely uses one statutory class of invention, (i.e., process limitations) to define another statutory class (i.e., an apparatus) and is thereby proper.

In further rejecting claim 21 under 35 U.S.C § 101, the Examiner also indicated that "the claim appears to be an independent claim, but is improper ... because it contains antecedent basis in claim 1." The Examiner's rejection is ambiguous in that it is unclear how antecedent basis issues pertain to 35 U.S.C. § 101. Rather, it appears the Examiner intended to reject the claim under 35 U.S.C. § 112, second paragraph. Assuming this may be the case, it is noted that the MPEP states that

[a] claim which makes reference to a preceding claim to define a limitation is an acceptable claim construction which should not necessarily be rejected as improper or confusing under 35 U.S.C. 112, second paragraph. For example, claims which read: "The product produced by the method of claim 1." or 'A method of

producing ethanol comprising contacting amylose with the culture of claim 1 under the following conditions ....’ are not indefinite under 35 U.S.C. 112, second paragraph, merely because of the reference to another claim.  
(emphasis added); MPEP § 2173.05(f).

Accordingly, as indicated by the MPEP, the form of claim 21 is proper.

### **3.0 The Examiner failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with respect to any of the claims.**

At paragraphs 5-7 of the Office Action, the Examiner rejected claims **1, 3-6, 12-13, 16-17, 19-21, and 23-39** under 35 U.S.C § 103(a) as being unpatentable over Klein et al., U.S. Patent No. 6,709,330 (hereinafter Klein) in view of Sowinski, U.S. patent No. 6,601,033 (hereinafter Sowinski).

As set forth in the MPEP, to establish a *prima facie* case of obviousness, (1) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings, and (2) the prior art reference (or references when combined) must teach or suggest all the claim limitations. MPEP § 2143.

Notably, a factual finding of a suggestion or motivation to modify a reference must be supported with substantial evidence of record. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001); In re Zurko, 258 F.3d 1379, 1383-86 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1342 (Fed. Cir. 2002). In particular, conclusory statements regarding the factual question of motivation must be supported by evidence of record and without such evidence, lacks substantial evidence support and is thereby insufficient to establish a *prima facie* case of obviousness. In re Lee, 277 F.3d at 1343-45; In re Zurko, 258 F.3d at 1385.

As further discussed below, the Examiner failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with respect to any of claims **1, 3-6, 12-13, 16-17, 19-21, and 23-39** because the Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of the claims and because the Examiner failed to provide evidence of record to support a suggestion or motivation to modify Klein in view of Sowinski.

**3.1 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of any of the claims.**

In rejecting independent claim **1** (and similarly independent claim **21**), the Examiner indicated that the “combination of Klein and Sowinski would contain a cost of pollution credits, which would change in response to a news event” (i.e., a simulated event). (emphasis added). Notably, claim **1** (and similarly claim **21**) recites in part,

*changing ... at least one of:*

*a cost to generate internal reductions of carbon dioxide equivalent emissions,*

*a cost to generate reductions of carbon dioxide equivalent emissions ..., and*

*a volume of credits of carbon dioxide equivalent emission reductions.*

In rejecting claim **1**, no where does the Examiner indicate that the combination of Klein and Sowinski teaches, suggests, or discloses any of the above limitations of claim **1**. Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim **1** (and similarly claim **21**), the Examiner failed to establish a *prima facie* case of obviousness with respect to these claims.

Because claims **3-6, 12-13, 16-17, 19-20, and 23-39** depend from claim **1**, the Examiner failed to establish a *prima facie* case of obviousness in view of Klein and Sowinski with respect to these claims for at least the reasons set forth above for claim **1**.

**3.2 The Examiner failed to provide evidence of record to support a suggestion or motivation to modify Klein in view of Sowinski.**

In further rejecting claim **1** (and similarly independent claim **21**), the Examiner appeared to merely conclude that because the Chicago Board of Trade supports both pollution credits and options, one skilled in the art would have been motivated to modify the teachings of Klein in view of Sowinski. However, the Examiner presented no evidence of record to support the Examiner’s conclusion, or in other words, presented no evidence of record that the Chicago Board of Trade supporting both pollution credits and options would have motivated one of ordinary skill in the art to modify Klein in view of Sowinski. Accordingly, the Examiner failed to establish a *prima facie* case of obviousness with respect

to claims 1 and 21, and similarly, claims 3-6, 12-13, 16-17, 19-20, and 23-39, which depend from claim 1.

**3.3 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 13.**

In rejecting claim 13, the Examiner indicated that Klein discloses “receiving an input to review the position of the simulated entity and causing to be displayed the portfolio of the simulated entity,” that Sowinski discloses “buying, selling, and trading pollution credits,” and as such, appeared at most to indicate that the combination of Klein and Sowinski discloses “*receiving an input to review a position of the simulated entity; and in response to the input, causing to be displayed ... credits of carbon dioxide equivalent emission reductions for the simulated entity*,” as claim 13 recites.

While we respectfully disagree, we further note that no where does the Examiner indicate that the combination of Klein and Sowinski also teaches, suggests, or discloses “*receiving an input to review a position of the simulated entity; and in response to the input, causing to be displayed carbon dioxide equivalent emissions ... for the simulated entity*,” as claim 13 further recites. Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 13, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**3.4 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claims 26 and 28.**

Claims 26 and 28 recite that “*the credits ... are allowances of carbon dioxide equivalent emissions.*” Allowances as used in the context of the application may be “the total emissions allowed to be released by an organization during a given period.” (Specification, page 28, lines 7-9). In rejecting claims 26 and 28, the Examiner failed to indicate that the combination of Klein and Sowinski teaches, suggests, or discloses “*allowances of carbon dioxide equivalent emissions*” as recited by these claims. Accordingly, because the Examiner failed to indicate that combination of Klein and Sowinski teaches or suggests all the claim limitations of claims 26 and 28, the Examiner failed to establish a *prima facie* case of obviousness with respect to these claims.

**3.5 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 27.**

In rejecting claim 27, the Examiner appeared to indicate that the combination of Klein and Sowinski discloses “changing the values of” pollution credits. (emphasis added). However, claim 27 recites “*in which the changing step changes the volume of credits of carbon dioxide equivalent emission reductions.*” Because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 27, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**3.6 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 29.**

In rejecting claim 29, the Examiner appeared to indicate that the combination of Klein and Sowinski discloses that “the simulated news event causes the value of the entity’s holdings” (i.e., pollution credits) “to change, and a new cost of the security” (i.e., pollution credits) “is calculated.” (emphasis added). Notably, claim 29 recites in part that,

*the simulated event is at least one of:*

*a change in the cost to generate internal reductions of carbon dioxide equivalent emissions and*

*a change in the cost to generate reductions of carbon dioxide equivalent emissions ....*

In rejecting claim 29, no where does the Examiner indicate that the combination of Klein and Sowinski teaches, suggests, or discloses any of the above limitations of claim 29. Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 29, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**3.7 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 30.**

In rejecting claim 30, the Examiner indicated that Klein discloses at column 7, lines 5-15 “displaying the current interest rate, which may change over the course of the game.” We respectfully disagree. At column 7, lines 5-15 Klein discloses that a “[p]ortfolio

information screen ... comprises ... a current interest rate field" and that the "[p]ortfolio information screen ... is updated dynamically, so that a player can watch their portfolio move as the price of the underlying stock moves." Notably, nowhere in column 7, lines 5-15 does Klein disclose that the current interest rate "may change over the course of the game." Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 30, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**3.8 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 31.**

At page 1 of the Office Action the Examiner indicated that claim 31 is rejected but made no showing that the combination of Klein and Sowinski discloses the limitations of this claim. Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 31, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**3.9 The Examiner failed to provide evidence of record to support a suggestion or motivation to modify Klein and Sowinski to obviate claim 33.**

In rejecting claim 33, the Examiner merely asserted that it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Klein and Sowinski to include an interface for news announcement creation "because it provides a user-friendly way for customization of the simulation by the system administrator." However, the Examiner presented no evidence of record to support such conclusory statements. In addition, even assuming, *arguendo*, that the asserted conclusory statements were true, the Examiner presented no evidence of record that the asserted statements would have prompted one of ordinary skill in the art to modify Klein and Sowinski "to include an interface for news announcement creation" and as such, to perform the recited features of claims 33. As such, the Examiner failed to establish a *prima facie* case of obviousness with respect to claims 33.

**3.10 The Examiner failed to establish that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 34.**

Claim 34 recites in part “*causing to be displayed a compliance requirement.*” A compliance requirement as used in the context of the application may be “the amount of CO<sub>2</sub>e emission reductions that the user’s organization must achieve by the end of each trading session ....” (Specification, page 29, lines 3-7).

In rejecting claim 34, the Examiner indicated that Klein discloses at column 19, line 50 to column 20, line 12 a “compliance requirement.” We respectfully disagree. At column 19, line 50 to column 20, line 12 Klein discloses “margin requirements,” which are different from a “*compliance requirement*” as recited by claim 34. Accordingly, because the Examiner failed to indicate that the combination of Klein and Sowinski teaches or suggests all the claim limitations of claim 34, the Examiner failed to establish a *prima facie* case of obviousness with respect to this claim.

**4.0 Conclusion**

Since the Examiner failed to establish a *prima facie* case under 35 U.S.C. § 101 with respect to claims 1 and 21 and because the Examiner failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103 with respect to any of claims 1, 3-6, 12-13, 16-17, 19-21, and 23-39, we respectfully request withdrawal of the Final Rejection, entry of this amendment, and favorable reconsideration and allowance of these claims.

We earnestly believe that this application is now in condition to be passed to issue, and such action is also respectfully requested. However, if the Examiner deems it would in any way facilitate the prosecution of this application, the Examiner is invited to telephone the undersigned representative at 212-294-7733.

Respectfully submitted,

/Glen R. Farbanish/

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Date

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